



JKG LAND BERHAD

(Company No: 154232-K)
(Incorporated in Malaysia under the Companies Act, 1965)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2019

	(Unaudited) As at 30-Apr-19 RM'000	(Audited) As at 31-Jan-19 RM'000
Assets		
Non-Current Assets		
Property, plant and equipment	24,688	23,786
Investment property	44,485	44,506
Investment in an associate	-	-
Other investments	18	18
Inventories	291,595	287,480
Deferred tax assets	8,746	8,746
Deposits	8,500	8,500
	378,032	373,036
Current Assets		
Inventories	139,013	152,455
Contract asset	50,088	26,285
Contract cost	34,720	30,010
Trade and other receivables	12,595	16,773
Current tax assets	1,324	2,187
Short term investments	700	1,829
Cash and cash equivalents	85,145	75,910
	323,585	305,449
TOTAL ASSETS	701,617	678,485
EQUITY AND LIABILITIES		
Equity attributable to Owners of the Company		
Share capital	231,159	231,159
Retained earnings	232,741	231,488
	463,900	462,657
Non-Controlling Interests	(52)	(42)
Total Equity	463,848	462,605
Non-Current Liabilities		
Deferred tax liabilities	15	15
Loan and borrowings	69,003	69,003
	69,018	69,018
Current Liabilities		
Trade and other payables	20,962	24,432
Contract liabilities	3,495	4,473
Current tax payables	40	45
Loan and borrowings	144,254	117,912
	168,751	146,862
Total Liabilities	237,769	215,880
TOTAL EQUITY AND LIABILITIES	701,617	678,485
Net assets per share attributable to equity holders of the parent (RM)	0.20	0.20

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2019 and the accompanying notes attached to the interim financial statements)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Financial Period Ended 30 April 2019

	<u>Attributable to owners of the Company</u>			<u>Non-Controlling Interests</u> <u>RM'000</u>	<u>Total Equity</u> <u>RM'000</u>
	<u>Distributable</u>				
	<u>Share Capital</u> <u>RM'000</u>	<u>Retained Earnings</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>		
<u>3 Months Ended 30 April 2019</u>					
At 1 February 2019	231,159	231,488	462,647	(42)	462,605
Total Comprehensive income for the period	-	1,253	1,253	(10)	1,253
Dividend	-	-	-	-	-
At 31 January 2019	<u>231,159</u>	<u>232,741</u>	<u>463,900</u>	<u>(52)</u>	<u>463,848</u>

For The Financial Period Ended 30 April 2018

	<u>Attributable to owners of the Company</u>			<u>Non-Controlling Interests</u> <u>RM'000</u>	<u>Total Equity</u> <u>RM'000</u>
	<u>Distributable</u>				
	<u>Share Capital</u> <u>RM'000</u>	<u>Retained Earnings</u> <u>RM'000</u>	<u>Total</u> <u>RM'000</u>		
<u>3 Months Ended 30 April 2018</u>					
At 1 February 2018	231,159	231,679	462,838	(5)	462,833
Total Comprehensive income for the period	-	1,012	1,012	-	1,012
At 30 April 2018	<u>231,159</u>	<u>232,691</u>	<u>463,850</u>	<u>(5)</u>	<u>463,845</u>

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For The Financial Period Ended 30 April 2019

	Individual Quarter			Cumulative Quarter		
	Current Year Quarter 30-Apr-19 RM'000	Preceding Year Corresponding Quarter 30-Apr-18 RM'000	% + / (-)	Current Year To Date 30-Apr-19 RM'000	Preceding Year Corresponding Period 30-Apr-18 RM'000	% + / (-)
Revenue	39,552	21,281	85.9	39,552	21,281	85.9
Cost of sales	(31,691)	(14,815)		(31,691)	(14,815)	
Gross profit	7,861	6,466	21.6	7,861	6,466	21.6
Selling and marketing expenses	(406)	(442)		(406)	(442)	
Administrative expenses	(4,700)	(4,352)		(4,700)	(4,352)	
Other operating income	267	650		267	650	
Operating profit	3,022	2,322	30.1	3,022	2,322	30.1
Share of results of an associate	-	-		-	-	
Profit before interest and tax	3,022	2,322	30.1	3,022	2,322	30.1
Finance income	569	917		569	917	
Finance cost	(1,635)	(1,135)		(1,635)	(1,135)	
Profit / (Loss) before tax	1,956	2,104	(7.0)	1,956	2,104	(7.0)
Tax expenses	(713)	(1,092)		(713)	(1,092)	
Profit and total comprehensive income for the period	1,243	1,012	22.8	1,243	1,012	22.8
Profit and total comprehensive income for the period attributable to :						
Owners of the Company	1,253	1,012	23.8	1,253	1,012	23.8
Non-controlling interests	(10)	-		(10)	-	
Profit and total comprehensive income for the period	1,243	1,012	22.8	1,243	1,012	22.8
	Sen	Sen		Sen	Sen	
Basic earnings per share	0.06	0.04	23.8	0.06	0.04	23.8

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2019 and the accompanying notes attached to the interim financial statements)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For The Financial Period Ended 30 April 2019

	Current year to 30-Apr-2019 RM'000	Preceding year to 30-Apr-2018 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	1,956	2,104
Adjustment for :		
Depreciation of property, plant and equipment	553	636
Depreciation of investment property	21	22
Interest income	(569)	(917)
Gain on disposal of motor vehicle	(10)	-
Fair value adjustment on short term investment	(10)	(88)
Operating profit before changes in working capital	1,941	1,757
Changes in working capital		
Inventories	13,442	4,368
Contract assets	(23,803)	(11,763)
Contract cost	(4,710)	(5,994)
Trade and other receivables	4,178	5,646
Trade and other payables	(3,470)	(311)
Contract liabilities	(978)	(2,146)
	(15,341)	(10,200)
Cash used in operating activities	(13,400)	(8,443)
Tax paid	145	(695)
Net cash used in operating activities	(13,255)	(9,138)
CASH FLOW FROM INVESTING ACTIVITIES		
Additions of property, plant and equipment	(1,477)	(765)
Additions to non-current inventories	(4,115)	(2,188)
Proceeds from disposal of motor vehicle	32	-
Redemption / (Additions) of short term investments	1,139	(15,000)
Interest received	569	917
Withdrawal of fixed deposits-aged more than 3 months	-	15,000
Net cash used in investing activities	(3,852)	(2,036)
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown /(Repayment) of term loans and borrowings	26,342	(7,091)
Net cash (used in)/ from investing activities	26,342	(7,091)
Net (decrease)/increase in cash and cash equivalents	9,235	(18,265)
Cash and cash equivalents at beginning of the period	75,910	110,447
Cash and cash equivalents at end of the period	85,145	92,182
Cash and cash equivalents at end of the period comprised of :		
Fixed Deposit Placed With Licensed Banks-aged within 3 months	53,566	42,908
Cash and Bank Balances	31,579	49,274
	85,145	92,182

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for year ended 31 January 2019 and the accompanying notes attached to the interim financial statements)

**SELECTED EXPLANATORY NOTES**

PART A : Explanatory notes pursuant to Malaysian Financial Reporting Standard (“MFRS”) 134

1. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134, Interim Financial Reporting and other MFRSs issued by the Malaysian Accounting Standard Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“BMSB”).

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 January 2019 which have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“FRSs”) and the Companies Act 2016. These explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 January 2019.

2. Accounting Policies

The significant accounting policies, method of computation and basis of consolidation applied in the consolidated condensed interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 January 2019 save for the adoption of the following:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 – 2017 Cycle	

The initial adoption of the above MFRS, amendments to MFRSs, IC Interpretation and annual improvements to MFRS does not have any material impact on the financial statements of the Group, except as mentioned below :

MFRS 16, Leases

The adoption of MFRS 16 resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to identification of lease arrangements and accounting treatments for both lessors and lessees are amended to comply with MFRS 16. In accordance with the transition requirements under MFRS 16, comparatives are not restated and the financial impact on the adoption of this Standard is recognized in retained earnings as at 1 February 2019.

Based on the assessment, the Group does not expect the application of MFRS 16 to have significant financial impact on the interim financial statements.

3. Audit Report Qualification and Status

The financial statements of the Group for the financial year ended 31 January 2019 were not subject to any audit qualification.

4. Seasonal or Cyclical Factors

The Group’s business operations are not materially affected by seasonal or cyclical factors.



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SELECTED EXPLANATORY NOTES

5. Unusual Items

There were no unusual items for the current financial period under review.

6. Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial year that have a material effect for the current financial period under review.

7. Debt & Equity Securities, Share Buy-Backs and Treasury Shares

There was no issuance, cancellations, repurchases, resale and repayment of debt and equity securities during the financial period under review.

8. Dividend Paid

There was no dividend paid during the financial period under review.

9. Segmental Information

The Group's activities comprise the following main business segments which are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance :-

Property development: Development of residential, commercial and other properties

Cultivation of oil palm: Cultivation of oil palm and Sale of fresh fruit bunches (FFB)

Others: Operations related to investment holdings and provision of management services

3 months ended 30 April 2019	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	38,806	446	300	39,552
Segment Result				
Operating profit before tax	2,528	194	300	3,022
Share of results of an associate				-
Profit before interest and tax				3,022
Finance income				569
Finance costs				(1,635)
Profit before tax				1,956
Tax expense				(713)
Profit after tax				1,243
Segment assets	647,064	9,959	44,594	701,617
Investment in associates				-
Total assets				701,617



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SELECTED EXPLANATORY NOTES

9. Segmental Information (cont'd)

3 months ended 30 April 2018	Property Development RM'000	Cultivation of Oil Palm RM'000	Others RM'000	Group RM'000
Segment Revenue	20,436	555	290	21,281
Segment Result				
Operating profit before tax	1,705	327	290	2,322
Share of results of an associate				-
Profit before interest and tax				2,322
Finance income				917
Finance costs				(1,135)
Profit before tax				2,104
Tax expense				(1,092)
Profit after tax				1,012
Segment assets	604,621	9,990	3,490	618,101
Investment in associates				-
Total assets				618,101

10. Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment carried out during the current financial period ended 30 April 2019.

11. Material Subsequent Event

There were no material events subsequent to the financial year ended 30 April 2019.

12. Changes in the Composition of the Group

There were no changes in the composition of the Group up to the date of this announcement since the preceding financial year ended 31 January 2019.

13. Contingent Liabilities

There were no material contingent liabilities for the Group as at 30 April 2019.

14. Capital Commitments

There were no capital commitments for the Group as at 30 April 2019.

SELECTED EXPLANATORY NOTES
Part B : Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of BMSB
1. Performance Review

For the current financial quarter and financial period, the Group posted a revenue of RM39.552 million, an increment of 85.9% over the revenue of RM21.281 million in the preceding corresponding quarter and financial period. The Group's pre-tax profit for the current financial quarter and financial period recorded a PBT of RM1.956 million, a decline of 7.0% compared to RM2.104 million in the preceding corresponding quarter and financial period. The higher revenue for the financial period was mainly due to improved sales and higher progress of works from the development projects. However, lower PBT for the current financial period was mainly due to relatively lower finance income and higher finance costs incurred on term loans taken to fund the project development activities in the Central region.

The performance of the various operating segments were as follows :-

	Quarter ended 30 April			3-months ended 30 April		
	2019 RM'000	2018 RM'000	% + / (-)	2019 RM'000	2018 RM'000	% + / (-)
Segment Revenue						
Property Development	38,806	20,436	89.9	38,806	20,436	89.9
Cultivation of Oil Palm	446	555	(19.6)	446	555	(19.6)
Others	300	290	3.4	300	290	3.4
Total	39,552	21,281	85.9	39,552	21,281	85.9
Segment Results						
Property Development	2,528	1,705	48.3	2,528	1,705	48.3
Cultivation of Oil Palm	194	327	(40.7)	194	327	(40.7)
Others	300	290	3.4	300	290	3.4
Total operating profit	3,022	2,322	30.1	3,022	2,322	30.1
Share of results of an associate	-	-	-	-	-	-
Profit before interest and tax	3,022	2,322	30.1	3,022	2,322	30.1
Finance income	569	917	(37.9)	569	917	(37.9)
Finance costs	(1,635)	(1,135)	44.1	(1,635)	(1,135)	44.1
Profit / (Loss) before tax	1,956	2,104	(7.0)	1,956	2,104	(7.0)
Tax expense	(713)	(1,092)	-	(713)	(1,092)	-
Profit after tax	1,243	1,012	22.8	1,243	1,012	22.8
Non-controlling interests	10	-	-	10	-	-
Profit attributable to owners of the Company	1,253	1,012	23.8	1,253	1,012	23.8

a) Property Development

	Quarter ended 30 April			3-months ended 30 April		
	2019 RM'000	2018 RM'000	% + / (-)	2019 RM'000	2018 RM'000	% + / (-)
Revenue	38,806	20,436	89.9	38,806	20,436	89.9
Cost of sales	(31,439)	(14,587)	-	(31,439)	(14,587)	-
Gross profit	7,367	5,849	-	7,367	5,849	-
Selling and marketing expenses	(406)	(442)	-	(406)	(442)	-
Administrative expenses	(4,700)	(4,352)	-	(4,700)	(4,352)	-
Other operating income	267	650	-	267	650	-
Operating profit	2,528	1,705	48.3	2,528	1,705	48.3

**SELECTED EXPLANATORY NOTES****1. Performance Review (cont'd)****a) Property Development (cont'd.)**

For the current financial quarter and financial period, the segment posted a revenue of RM38.806 million and an operating profit of RM2.528 million compared to revenue of RM20.436 million and operating profit of RM1.705 million respectively in the preceding corresponding financial quarter and financial period, representing an improvement of 89.9% in revenue and 48.3% in operating results. These were largely contributed from improved sales and higher progress billings from The ERA of Kuala Lumpur, small medium industry (“SMI”) factory development in Taman Industry Makmur and Taman Industry Sepakat of Lunas Kedah, residential development in Taman Puteri and single storey shop development in Taman Lagenda of Padang Serai Kedah.

b) Cultivation of oil palm

For the current financial quarter and financial period, both revenue and operating results decreased by 19.6% and 40.7% respectively as compared to the preceding financial quarter and financial period. This was mainly due to lower commodity prices as a result of adverse market supply and demand conditions despite marginal increase in sales volume of Fresh Fruit Bunch (FFB) by 6.5% over the preceding financial quarter and financial period.

c) Others

The revenue and operating profit from others segment comprised mainly rental income for the Group. The revenue and operating profit, both registered an increase of 3.4% for the current financial quarter and financial period as compared to the preceding corresponding financial period. This was mainly due to new lettings during the current financial period.

2. Material Changes in Profit Before Tax for Quarter Reported On as Compared to the Immediate Preceding Quarter

The Group registered a revenue of RM39.552 million, an increase by 154.8% compared with RM15.525 million reported in the immediate preceding quarter. Similarly, the Group posted a PBT of RM1.956 million, a hike of 521.0% as compared to the PBT of RM0.315 million in the immediate preceding quarter. The higher revenue and PBT were mainly due to contribution from the property development segment.



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SELECTED EXPLANATORY NOTES

2. Material Changes in Profit Before Tax for Quarter Reported On as Compared to the Immediate Preceding Quarter (cont'd.)

	Quarter Ended		%
	30-04-2019	31-01-2019	
	RM'000	RM'000	+ / (-)
<u>Segment Revenue</u>			
Property Development	38,806	14,851	161.3
Cultivation of Oil Palm	446	363	22.9
Investment Holding	300	311	(3.5)
Total	39,552	15,525	154.8
<u>Segment Results</u>			
Property Development	2,528	841	200.6
Cultivation of Oil Palm	194	108	79.6
Investment Holding	300	311	(3.5)
Total operating profit	3,022	1,260	139.8
Share of results of an associate	-	-	
Profit before interest and tax	3,022	1,260	139.8
Finance income	569	736	(22.7)
Finance costs	(1,635)	(1,681)	(2.7)
Profit before tax	1,956	315	521.0
Tax expense	(713)	1,258	
Profit after tax	1,243	1,573	(21.0)
Non-controlling interests	10	21	
Profit attributable to owners of the Company	1,253	1,594	(21.4)
<u>Property Development Segment</u>			
	Quarter Ended		%
	30-04-2019	31-01-2019	
	RM'000	RM'000	+ / (-)
Revenue	38,806	14,851	161.3
Cost of sales	(31,439)	(9,039)	
Gross profit	7,367	5,812	
Selling and marketing expenses	(406)	(443)	
Administrative expenses	(4,700)	(5,031)	
Other operating income	267	503	
Operating profit	2,528	841	200.6

The property development segment posted a higher revenue and operating profit for the current financial quarter was mainly due to recognition of revenue from sales secured during these periods and progress of works achieved in the current quarter

SELECTED EXPLANATORY NOTES
3. Commentary on Prospects

The overall property market is expected to remain challenging in the subsequent periods of FY2020 although consumer sentiments have improved. The key issues of rising costs of living, price affordability and tight financing requirements will continue to have a dampening effect. Nonetheless, the Group remains steadfast in its efforts to grow its property development business in view of the strategic locations, right pricing points and brand premium that it has established.

Despite the challenging business environment, the Board is of the view that the Group will continue to deliver satisfactory performance for FY2020.

4. Variance of Actual Profit from Forecast Profit

There was no profit forecast given for the current financial period ended 30 April 2019.

5. Taxation

Tax charged for the current quarter and financial period ended 30 April 2019 comprised the followings:-

	Quarter Ended 30-04-2019 RM'000	3-months Cumulative 30-04-2019 RM'000
In respect of the current quarter/ year to-date Malaysian income tax	713	713

For the financial period ended 30 April 2019, the effective tax rate of the group is higher than the statutory tax rate mainly due to losses in certain subsidiaries which are not available to set off against taxable profits in other subsidiaries within the Group.,

The above tax figures are based on best estimates and internal assessment.

6. Status of Corporate Proposals

As at 30 April 2019, there were no outstanding corporate proposals.

7. Group Borrowings and Debt Securities

The Group's borrowings as at the end of the current financial period under review are as follows :

	As at 30-04-2019		
	Long term RM'000	Short term RM'000	Total RM'000
Secured Term loans	69,003	144,254	213,257

8. Material Litigation

There were no material litigations, which would have a material adverse effect on the financial results for the current financial period under review.



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SELECTED EXPLANATORY NOTES

9. Proposed Dividend

No interim dividend was proposed during the current financial period under review.

10. Earnings per share attributable to owners of the Company

The basic earnings per share has been calculated by dividing the Group's net profit attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the period.

	Quarter Ended		3-months Cumulative	
	30-04-2019	30-04-2018	31-01-2019	31-01-2018
	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) attributable to owners of the Company	1,253	1,012	1,253	1,012
Weighted average number of ordinary shares in issued	2,274,930	2,274,930	2,274,930	2,274,930
Basic earnings/(loss) per share	Sen 0.06	Sen 0.04	Sen 0.06	Sen 0.04

There is no diluted earnings per share as the Company does not have any convertible financial instruments as at the end of the financial period ended 30 April 2019.

11. Notes to the Comprehensive Income Statement

	Quarter Ended	3-months
	30-04-2019	Cumulative 30-04-2019
	RM'000	RM'000
a) Interest income	569	569
b) Other income	267	267
c) Interest expense	(1,635)	(1,635)
d) Depreciation and amortization	(574)	(574)
e) Provision for and write off of receivables	-	-
f) Provision for and write off of inventories	-	-
g) Gain/(Loss) on disposal of quoted and unquoted investments or properties	-	-
h) Fair value gain/ (loss) on short term investment	10	10
i) Impairment of assets	-	-
j) Foreign exchange gain / (loss)	-	-
k) Gain / (Loss) on derivatives	NA	NA
l) Exceptional items	NA	NA